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RUEHCN/AMCONSUL CHENGDU 1863  
RUEHGZ/AMCONSUL GUANGZHOU 0227  
RUEHHK/AMCONSUL HONG KONG 7988  
RUEHGH/AMCONSUL SHANGHAI 1053  
RUEHSH/AMCONSUL SHENYANG 5834  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHINGTON DC  
RHHJJAA/JICPAC HONOLULU HI  
RUEKJCS/SECDEF WASHINGTON DC  
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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001040

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E.O. 12958: DECL: 05/09/2032

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SUBJECT: FACTION SUPPORTING PREMIER SU LOSES OUT IN DPP  
LEGISLATIVE PRIMARY

REF: TAIPEI 1023

Classified By: AIT Director Stephen M. Young,  
Reasons: 1.4 (b/d)

11. (C) Summary: In the May 6 primary vote by DPP members to select candidates for the upcoming LY elections, members and associates of the reformist New Tide faction, which supported Premier Su's presidential campaign, fared poorly overall in comparison to some more strident, populist competitors. Several of these "reformers" could still come out on top if they do well in public opinion polls that will be conducted over the next month. The DPP's final slate of legislative candidates will be announced June 20, and party nominations will be formally approved at a party congress on June 30. End Summary.

12. (U) DPP members on May 6 voted to select candidates for the upcoming Legislative Yuan (LY) elections, which will be held in December 2007 or January 2008. Party members voted for one of 19 candidates competing for position on the DPP's list of at-large LY candidates. DPP members also cast ballots in 27 legislative districts where there are multiple candidates vying for the party nomination. Party vote results for the at-large and district primary races will be weighted 40 and 30 percent, respectively. Public opinion polling, which accounts for the rest of the weighting, will be conducted from May 11-18 for at-large legislative candidates and from mid-May to mid-June for district primary races. On June 20, the DPP will announce its final slate of legislative candidates, including a limited number of at-large candidates nominated by the party chairman and some others specially recruited to run in "difficult districts." Party nominations will be formally approved at a party congress on June 30.

13. (U) Note: Voters in the general LY election will cast two ballots, one for their district (or aborigine) legislator, and one for the party of their choice. Taiwan's legislature will be cut in half, from 225 to 113 seats. Of those, 73 seats will be district seats and 6 will be allotted to aborigine groups. The at-large seats total 34 and will be apportioned to parties according to the percentage of votes they win on the second, party preference ballot. End Note.

14. (C) Many candidates associated with the New Tide faction

faired poorly in the party primary vote for at-large seats, losing in a number of cases to more strident, populist candidates. During the primary campaign, New Tide support for Premier Su Tseng-chang made this faction a special target for supporters of Frank Hsieh and the other presidential candidates. Hsieh's camp, although not necessarily aligned with the "Deep Green" in ideological terms, capitalized on a concerted existing effort by some Deep Green figures to prevent several New Tide and other reformers from representing the DPP in the LY elections. These Deep Green figures were irate because, in their view, the reformers had been disloyal to the DPP and President Chen in the difficult period last fall when the opposition was trying to unseat Chen over corruption charges. The Deep Green also charged key New Tide faction members and associates with being "too close" to China and espousing cross-Strait economic liberalization, which the critics saw as pandering to the pan-Blue and Ma Ying-jeou, and being weak-kneed on Taiwan identity.

15. (C) New Tide members received only 18,000 votes in the at-large party race, a steep drop from their 42,000 total in 2004. Legislator Hung Chi-chang, one of the New Tide's strongest candidates and a vocal advocate for cross-Strait economic liberalization, placed 7th in the field of 19 candidates, while Luo Wen-chia and Shen Fu-hsiung, two prominent non-New Tide reformers, placed 11th and 12th respectively. Shen, who along with Luo and Hung had been blacklisted as one of the "eleven (disloyal) bandits," stressed that, unlike some of the winners, none of his votes had been bought. Anti-New Tide candidates saw their votes increase significantly. Supporters of Frank Hsieh and other anti-New Tide candidates took the top six slots on the

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at-large list, building momentum ahead of the public opinion polls.

16. (C) New Tide candidates came out ahead in only two LY district primaries, but remain close enough in three districts to win nominations if they do well in the public opinion polls. Several prominent candidates associated with the New Tide, including Legislator Bikhim Hsiao, lag significantly behind their more strident competitors, and the media estimates Hsiao would have to beat rival Wang Shih-chien by more than 14 percent in the public opinion poll to win the nomination in her North Taipei district. Hsiao, one of the LY's more thoughtful and proactive legislators, was pummeled in the run-up to the primary by Wang, who attacked her as a "Chinese zither" (a play on her name) for allegedly holding pro-China views. Hsiao told AIT her odds are long, but not impossible, and vowed to keep campaigning vigorously in the run-up to the next poll. Two New Tide candidates, Shen Fa-hui and Lin Cho-shui, withdrew from their district races on May 7. Lin, who resigned from the LY last year in reaction to the DPP's failure to address charges of corruption against President Chen, warned fellow party members that the DPP was moving on the road to "populism." Legislators associated with Frank Hsieh won the initial battle in all four districts where they competed.

17. (C) Academia Sinica Research Fellow Hsu Yung-ming attributed the New Tides' defeat in the party vote to efforts by anti-New Tide legislators and Frank Hsieh's camp to cast the election as a struggle against the New Tide faction and individuals "disloyal" to the DPP. Despite the New Tide's poor performance so far, however, some may capitalize on high name recognition and do well in the upcoming polls. Hsu told AIT he expects Hsieh's presidential primary victory to boost public opinion poll numbers for Hsieh's supporters, including Legislator Wang Shih-chien, who is running against Bikhim Hsiao.

Comment

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18. (C) The poor showing by New Tide candidates and their allies suggests that this group, a number of whose members have expressed moderate views on cross-Strait policy, has indeed been weakened, at least in the short term, by the sustained attacks against them in recent months. The New Tide supported Premier Su Tseng-chang, who lost to Frank Hsieh in the DPP presidential primary, but presumably the faction will now try to find a way to work with the Hsieh camp since the two are not far apart in substantive terms. However, Hsieh supporters and the New Tide have been at odds since the 1994 Taipei mayoral primary contest, when, according to the Hsieh camp, the New Tide's last minute "betrayal" of Hsieh cost him the race against Chen Shui-bian.

Although Hsieh himself has adopted generally moderate positions, he has cultivated and enjoys widespread support from a broad spectrum within the pan-Green camp.

YOUNG